

News Release



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Labor Department Sues Officers of Texas Professional Employee Organization Over Delinquent Plan Contributions

DALLAS – The U.S. Department of Labor sued several fiduciaries to the retirement plans and a health plan of client employers of Seirios Staff Services, Inc., a defunct professional employee organization (PEO) that operated out of Addison, Texas. The fiduciaries allegedly failed to forward employee and matching employer contributions to the retirement plans and to forward premiums to the health plan.

Named in the suit, filed in federal district court in Dallas, are Jimmy Ray Clark, George E. Metcalf and Donald C. Dalbosco. The defendants also are former officers of the company.

The suit alleges that the defendants failed to remit participating employer matching contributions for 1999, 2000 and three months of 2002 to the retirement plans; to obtain a bond as required by law; to forward employee contributions to the retirement plans in 2000 and health insurance premiums from October to December 2001 in a timely manner; and to monitor plan fiduciaries appointed or serving as plan fiduciaries.

“This Administration will not tolerate abuses by plan fiduciaries and is aggressively seeking to restore the assets owed to the plans for the affected employers and employees,” said Ann L. Combs, assistant secretary of the Employee Benefits Security Administration (EBSA), which enforces the Employee Retirement Income Security Act (ERISA).

Before ceasing operations in April 2002, Seirios provided payroll and human resource services to 20 client employers in Texas, Arkansas, Oklahoma, Washington and Oregon. Seirios created and administered the health plan, a multiple employer welfare arrangement (MEWA), for client employers. EBSA’s Dallas regional office investigated the case.

The suit seeks to remove the defendants from positions with the plans, permanently bar them from serving other ERISA-covered plans in the future, appoint one or more independent fiduciaries to manage the plans and obtain an accounting and restoration all money owed to the plans.

Employers and workers can contact the Dallas regional office at (214) 767-6831 or EBSA’s toll free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector pension and health plans.

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(Chao v. Jimmy Ray Clark) Civil Action No. 3-03CV-2864H

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